



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

CM/ DCM/ ACM: Todd Hileman

DATE: September 19, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton ("City") authorizing the Mayor to act on the City's behalf in executing an amendment to the Joint Operating Agreement ("JOA") by and between, and among Texas Municipal Power Agency, ("Agency") and the Cities of Bryan, Denton, Garland and Greenville ("Parties") and acknowledging effective notice from the Agency regarding its intent to issues transmission debt (as defined in the JOA) and approving such issuance by the Agency.

BACKGROUND

The Parties have previously entered into the JOA.

Amendment No. 1 to the JOA ("Amendment No. 1") has been conditionally approved by the Parties, but such Amendment No. 1 provided that it would have no force or effect if the "Generation Asset Sale," as defined in and contemplated by Amendment No. 1, should be terminated or does not close.

The Parties have agreed to the terms of amendment No. 2 to the JOA ("Amendment No. 2") to accomplish certain purposes, to-wit: to (1) provide for the sale of portions of TMPA's Transmission System, in a piecemeal manner, but subject to applicable bond covenants of the Agency that govern the sale of portions of the Transmission System and (2) correct and clarify certain provisions of the JOA that pertain to Mine Reclamation Bonds and (3) clarify certain dates with respect to the Agency's budgeting process and (4) enable seasonal operation of the Agency's generating assets.

The Generation Asset Sale, as contemplated by Amendment No. 1, has been terminated and will not close, and therefore, by the terms thereof, Amendment No. 1 is of no force and effect as of the effective date of Amendment No. 2.

In conformance with Section 2.6.2.5 of the JOA, the Agency has given timely and effective notice, in the form attached hereto as Attachment B, to the City with respect to its intent to issue Transmission Debt as defined in the JOA consisting of the 2017 Refunding Bonds and the 2017 Notes, as described in Attachment B hereto.

RECOMMENDATION

Staff recommends approval, and will be presenting to PUB for their consideration at the 25th September 2017 meeting.

ESTIMATED SCHEDULE OF PROJECT

If approved, Amendment 2 to the JOA will go into effect immediately.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Parties have conditionally approved this amendment.

FISCAL INFORMATION

This amendment permits The Agency to issue Transmission debt in accordance with JOA and appropriate sections of Amendment 1.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure

Related Goal: 2.3 Promote superior utility services and facilities

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance

Respectfully submitted:

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